



STATE OF ARKANSAS
**Department of Finance
and Administration**

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MEMORANDUM

TO: All State Agencies, Boards, Commissions and Institutions of Higher Education

ATTENTION: Professional Consulting Services Contracting Staff

FROM: Joseph A. Giddis, Director
State Procurement

DATE: January 7, 2002

SUBJECT: Professional Consulting Services Contract

The Review Committee held their monthly meeting January 3, 2002. Sole source PCS contracts continue to be a concern to committee members. Justification letters and memoranda are generally following the guidelines of the October 11, 2001 memorandum, SUB: Professional Consulting Contracts (PCS). That memorandum, as well as others pertaining to PCS contracts may be found at <http://www.state.ar.us/dfa/purchasing/index.html> listed under the "Agency" box. Please ensure that you include information in your sole source justification letters that clearly addresses each of the points in the October 11 memorandum.

Recent PCS contracts presented to Office of State Procurement (OSP) as "sole source" contracts have not met the test of a sole source procurement. Especially those where Federal Grants may be directing the use of a particular contractor as a condition of the grant. The Federal agency issuing the grant may have conducted an RFP and selected one or several contractors to provide a service and is conditioning the acceptance of the grant on the use of one of those contractors. In that case it is proper to indicate RFP rather than "sole source" on the PCS contract form. Other like circumstances have come up in our processing of PCS contracts. If you have a question please e-mail either nancy.cothren@dfa.state.ar.us or jerry.hester@dfa.state.ar.us for clarification.

The PCS regulation is out for public comment. You can find a copy of it on the OSP web site listed above. The public hearing is set for Thursday, January 31, 2002 at 10:00 a.m. in the Second Floor Training Room (2023) of the Charles D. Ragland Taxpayer Services Center Building at 7th and Battery Streets, Little Rock, AR.

The new PCS contract form is under construction and is currently scheduled for release February 1, 2002. A copy will be posted on the OSP web site with other PCS contract information.